

Subject Code : Ba/Eco-201 (N)

Booklet No. **A** 211

Date Stamp

Ba/Eco-201 (N)

2023

(2nd Semester)

ECONOMICS

Paper : Eco-201

(**Microeconomics—II**)

(New Course)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

UNIT—I

1. (a) Discuss the method of measuring monopoly power.

9

Or

- (b) Explain the various features of perfect competition market.

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UNIT—II

2. (a) What do you mean by monopolistic competition market? Explain how monopolistic competition differs from monopoly market. 2+7=9

Or

- (b) What is supernormal profit? Explain the short-run equilibrium of a firm under monopolistic competition. 2+7=9

UNIT—III

3. (a) Discuss the kinked-demand curve approach to oligopoly market.

Or

- (b) Critically examine Cournot's duopoly model.

UNIT—IV

4. (a) Explain the modern theory of rent.

Or

- (b) Critically examine the modern theory of wages.

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UNIT—V

5. (a) Explain the innovation theory of interest. 9

Or

- (b) Critically examine Hawley's risk theory of profit.

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(2nd Semester)

ECONOMICS

Paper : Eco-201

(**Microeconomics—II**)

(New Course)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—I

(Marks : 10)

1. Put a Tick (✓) mark against the correct answer in the brackets provided : 1×10=10

(a) Which of the following is not a feature of monopolistic competition?

- (i) Large number of buyers and sellers ()
- (ii) Firm produces differentiated product ()
- (iii) Restricted entry and exit ()
- (iv) Perfect knowledge about technology ()

(2)

(b) According to Keynes, interest is the reward for parting with

- (i) liquidity ()
- (ii) resources ()
- (iii) credit ()
- (iv) cash balance ()

(c) Innovation theory of profit is associated with

- (i) J. Schumpeter ()
- (ii) J. S. Mill ()
- (iii) F. Walker ()
- (iv) Knight ()

(d) The slope of monopoly's AR curve is _____ to that of MR curve.

- (i) same ()
- (ii) twice ()
- (iii) thrice ()
- (iv) half ()

(3)

(e) The simplest form of oligopoly market is

- (i) monopoly ()
- (ii) monopsony ()
- (iii) duopoly ()
- (iv) None of the above ()

(f) The only factor of production which can earn 'negative return' is

- (i) land ()
- (ii) labour ()
- (iii) capital ()
- (iv) entrepreneur ()

(g) In a monopoly market situation

- (i) the product have no class substitutes ()
- (ii) the products are homogeneous ()
- (iii) a monopolist is a price-taker ()
- (iv) a monopoly has no control over supply ()

(4)

(h) Scarcity rent was propounded by

(i) Ricardo ()

(ii) Marshall ()

(iii) Mills ()

(iv) Keynes ()

(i) In which model each seller assumes that his rival's output as being constant?

(i) Edgeworth's non-collusive model ()

(ii) Sweezy kinked demand curve model ()

(iii) Cournot's duopoly model ()

(iv) None of the above ()

(j) Under monopoly, AR curve slopes

(i) horizontally ()

(ii) vertically ()

(iii) downward from left to the right ()

(iv) upward from left to the right ()

(5)

SECTION—II

(Marks : 5)

2. Indicate whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark :
1×5=5

(a) Price discrimination is always possible under perfect competition.

(T / F)

(b) Cournot model of duopoly is a special case of monopoly.

(T / F)

(c) Cartel is found in monopoly market.

(T / F)

(d) Quasi-rent is an earning only in the short-run.

(T / F)

(e) According to Hawley, profit is the reward of innovation.

(T / F)

(6)

SECTION—III

(Marks : 10)

3. Write short notes on any *five* of the following : $2 \times 5 = 10$

(a) Monopoly market

(7)

(b) Oligopoly market

(8)

(c) Non-insurable risk

(9)

(d) Non-collusive oligopoly

(10)

(e) Scarcity rent

(11)

(f) Liquidity trap

(12)

(g) Gross interest

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